App. F. IX-4

Previous References

Later References

1933.

File No. 176/33

Serial Nos. 1 to 3

PRESERVED

GENERAL AND REVENUE SECRETARIAT.

Serial Nos. 3

Part B for December 33

SUBJECT.

Reduction of interest on the Charitable endowment deposits.

8/3) To Comptr & certain Heads of Depts,

No 3381-440 D) 20. XII. 33

Directs that the rate of interest on the above deposits may be reduced to 4½ p.c. p.a

Serial No.

Letter No.950 S1 dated 19th October 1933 from the Comptroller, suggesting that the rate of interest on Charitable Endowments be reduced from five per cent to four and a half per cent per annum.

The ordinary rate is four per cent and a special rate of five per cent is allowed since the year 1917, the same being continued from time to time. In Govt order No. Fi 7893-942 G F 199-31-2 dated 21/27th April 1932, the special rate of five per cent has been ordered to be continued for a ~~further~~ period of three years from 30th July 1932.

2. The question of reduction of the rate of interest on Charitable endowments was considered in November 1932, along with the question of reducing the rates of interest on Savings bank and other deposits and the remarks of the Financial Secretary and the Minute of the Dewan thereon are extracted below for ready reference (Pages 3 and 5 of G F File 98-32-3):--

Financial Secretary's remarks.

"The ordinary rate of interest is four per cent per annum and in some cases a special rate of 5 per cent is allowed and this special rate has been ordered to be continued for three years from 30th July 1932. It is not therefore possible to reduce it now. In respect of endowments to be received in future we may reduce the rate to 4½ per cent".

Offg. Dewan's Minute dated 10-11-32

"Endowment funds. The case of these funds might be viewed from a somewhat broader standpoint. I think it is

NOTE—Contn. Sheet.

WD 70—GBPM—60,000—13-8-31.

necessary that Government should, to some extent, definitely encourage the formation of endowments for various public purposes and in this view I think the present rate of 5 per cent might be allowed for future endowments as well. If, however, money rates decline still further and a lower level is likely to stand for a long time, the question of reducing the rate to be allowed on future endowments may be considered later on".--Vide also Submission Note dated 25-11-32.

3. Since November 1932, the money conditions have become cheaper and we have reduced the rates of interest on savings bank and other deposits still further. The rate of five per cent is therefore high. The Comptroller states that in cases of endowments where a rate of 5 per cent is sanctioned in perpetuity, no reduction in the rate of interest is possible and suggests that in the remaining cases which form the major portion of the charitable deposits the rate may be reduced to 4½ per cent per annum.

4. In view of the fact that the special rate of 5 per cent has already been ordered to be continued for three years from 30th July 1932, it is perhaps desirable to consider the reduction only after this term expires. In the case of deposits which may be adopted in future, the special rate of interest may be reduced from five per cent to four and half per cent per annum. But this may result in ~~Submitted~~. set back to the intending donors.

31-10-33 5. Fl Secy) 31.10.33,

6. After the extension of the period for the S.F.C. has been sd., what is the average money transaction ledered on this account upto date?

2-11-33

2/11/33.

General and Revenue Secretariat — File No. 176-11 of 1933.

Serial No.	
	1. Draft letter to the Comptroller submitted for approval.
	2-11-33
	8. Issue ₹ 2/11/33.
2	No Fl 2576 dated 6-11-33 to the Comptroller.
	6-11-33
3	Letter no 1312 F.S. dated 23rd November 1933 from the Comptroller.
	4. Reference para 6. The Comptroller states that 21 cases for the total value of Rs 75,601-5-8 have been received since 27-4-32.
	10. The suggestion to reduce the rate of interest on Endowments accepted in future from 5% to 4½% is for orders.
	27-11-33
	11. (H Secy) ₹ 28/11/33
	12. For future deposits the rate may be reduced from 5 to 4½ %
	Always
	29-4-33
	₹ 30/11/33.
	13
	2-12-33
	₹ 4/12/33.
	14. D.F.N. submitted for approval.
	5-12-33
	(H Secy) ₹ 5/12/33.
	Always
	9/12
	₹ 11/12/33.

TYPING SECTION 3 NOV. 1933 NL. & REV. SECT.

DEPARTMENT OF FINANCE 3555 DEC. 1933

DEPARTMENT OF FINANCE 3608 DEC. 1933

TYPING SECTION 7 DEC. 1933 4-55 P.M. NL. & REV. SECT.

Note—Contn. Sheet.

WD 70—GBPM—60,000—13-8-31

Submitted to His Highness.

At present the ordinary rate of interest allowed on Endowment Funds is 4 per cent per annum and in certain cases a special rate of 5 per cent is allowed. The latter rate has been ordered to be continued for three years from 30th July 1932. The question of reduction of the special rate was considered in November 1932 along with the question of the reduction of the rates of interest on Savings Bank and other deposits and, in the officiating Dewan Mr. M. N. Krishna Rao's Submission Note of 25th November 1932, it was stated that the question might be considered later on, if money rates are found to decline still further and a lower level found to stand for a long time.

M

P

Since November 1932, interest rates have become easier and we have reduced the rates of interest on Savings Bank and other deposits still further. The rate of 5 per cent interest is high and it is proposed to reduce the special rate to 4½ per cent in respect of Endowments which may be accepted in future.

Gracious sanction of His Highness is solicited to the above proposal.

Mirza M. Ismail

Bangalore,
9th December 1933.

DEWAN.

Record of Cases submitted for the Orders of His Highness the Maharaja.

Subject.

Proposal to reduce the special rate of interest in case of future Endowments.

281

Order.

~~KRW~~

12/12/33

C. Secy
MJ
13-12-33

RS
13/12/33.

General and Revenue Secretariat

G 2 176 – 33

288

Proposal to reduce the Special rate of interest in Case of future Endowments.

(*)

31. All urgent or confidential files returned with His Highness' orders may in the absence of instructions or indications to the contrary, be ordinarily circulated to the Members of Council for perusal after the issue of orders.

33. The Secretaries concerned should see that orders in the cases referred to above are issued at once and that the files are returned immediately after to the Chief Secretary for circulation to the Members.

34. In all other cases, the files will first be circulated to the Members of Council at Head-quarters and then sent to the Secretariat concerned for the issue of orders.

Circulated to Members of Council for perusal of His Highness' orders before/after issue of orders. (*) (*Vide Rules* 31, 33 and 34 of the Subsidiary Rules for the conduct of business of Council in the Manual of Council Rules and Procedure.)

R. Ranga Rao

Chief Secretary to Government.

Through the Secretary to Government,

H. Department.

4566
13.12.33

FIRST MEMBER OF COUNCIL. 13/12/33

3595
14/12

SECOND MEMBER OF COUNCIL. 14/12

Fin. Secy, with Comps.

RJ
14/12

NOTE.—Contn. sheet.

Serial No.

Draft government order submitted for approval.

ZW
16-12-33

For approval.

JC Secy) 16/12/33.

3

To

Issue
19-12-33,

The Comptroller
- Munsif Tm
- D.C. & D.J.
- Other Hors & Depts
- Compiler Mrs.

JC 3381-440 of 23/12/33
Reducing the rate of interest on charitable deposits from 5% to 4½% per annum.

NOTE—Contn. Sheet.

WD 70—GBPM—60,000—13-8-3.

G. F. 176-33-1

1305

OFFICE OF THE COMPTROLLER TO THE GOVERNMENT
OF HIS HIGHNESS THE MAHARAJA OF MYSORE.

No. 958 S.L. Bangalore, dated 19th October 1933.

F
21 OCT
No. 1305

From

M. VENKATESA IYENGAR, Esq., M.A.,
Comptroller to the Government of
His Highness the Maharaja of Mysore,
Bangalore.

To

A.N. Raghavachar, Esq., M.A.,
offg. Secretary to the Government of Mysore,
Financial Department,
Bangalore.

Sir,

Referring to Government order No.Fl. 7893-942 G.F.199-31-2 dated 21st/27th April 1932 directing the continuance of the enhanced rate of interest of Five Per cent on Charitable Endowments for a further period of three years from 30th July 1932, I have the honour to state as follows:-

In Government Order No.Fl.473-503/G.F.15-09-2 dated 15th July 1909 on the subject of interest on charitable Endowments it was stated that half a per cent more than the rate at which Government of India borrowed their requirements from the open market may be allowed. This standard has all along been kept in view, and the increase to 5% in 1917 was stated to be only on a temporary basis. Subsequent Government orders have continued the increased rate only temporarily.

As the rate of interest in the money market is going down, it seems necessary to see whether a reduction in the rate of interest on these Charitable Deposits should not be made as has been done in the case of Savings Bank Deposits and the State Provident Fund etc.,

Some differential treatment is no doubt necessary for these deposits as they are not withdrawable and are left permanently with the Government and as also the interest is to be utilised solely for Charitable, religious and Educational purposes but the extra now allowed is too much.

There are certain cases of Endowments where a rate of 5% is sanctioned in perpetuity, and no reduction in the rate of interest

interest is possible in these cases at present. In the remaining cases which form the major portion of these Charitable Deposits the rate may perhaps be reduced to 4½%. I request orders of Government in the matter.

I have the honour to be,
sir,
your most obedient servant.

M. Venkatesalyengar

Comptroller.

Appendix F G—1]

SUBJECT .....

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Section G-7

File No. 176-33

Serial No. 7

Diary No. of letter replied to .....

No. H 2576

To

The Comptroller

General and Revenue Secretariat

( )

the *193*

Date of issue 6/4/33

Signed by

Sir,

With reference to your letter no 958 G.R. dated 19th October 1933 regarding the reduction of the rate of interest on Charitable Endowments, I am directed to request you to be so good as to intimate the amount received on the above account and the no of such deposits, since 27th April 1932 (date of Govt order sanctioning the continuance of the rate of five percent for ~~five~~ three years from 30-7-32)

I have etc

2/11/33

For Secy

List of enclosures.....

Copied by 6/11

Examined by

2-11-33

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE

FINANCIAL SECRETARIAT,

No. Fr 2576
F.S. 176. 33-2

Dated, Bangalore, 6th November *193* 3

From

The *Financial Secretary to the Government of His Highness the Maharaja of Mysore.*

To

The Comptroller to Government of Mysore,
Bangalore.

Sir,

With reference to your letter No.958/S.L. dated the 19th October 1933 regarding the reduction of the rate of interest on Charitable Endowments, I am directed to request you to be so good as to intimate the amount received on the above account and the number of such deposits, since 27th April 1932 (date of Government Order sanctioning the continuance of the rate of five percent for three years from 30th July 1932).

I have the honour to be,

Sir,

Your most obedient servant,

M Shamanna

Financial Secretary to Government.

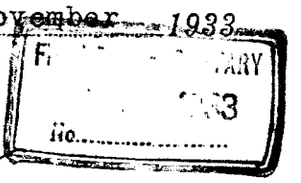
2

Psk.

1754

OFFICE OF THE COMPTROLLER TO THE GOVERNMENT
OF HIS HIGHNESS THE MAHARAJA OF MYSORE.

No. 1312/S.L. Bangalore, dated 23rd 24. November 1933.



From

M. VENKATESA IYENGAR, Esq., M.A.,
Comptroller to the Government of
His Highness the Maharaja of Mysore,
Bangalore.

To

S. Shamanna, Esq., B.A.,
Financial Secretary to the Government
of Mysore, Bangalore.

Sir,

With reference to your letter No.Fl.2576/G.F.176-33-2 dated 6-11-1933 asking this office to intimate the amount received towards Charitable Endowments and the number of such cases received since 27th April 1932, I have the honour to state that 21 cases for the total value of Rs.75,601-5-8 have been received since 27-4-1932.

I have the honour to be,

Sir,

Your most obedient servant,

M. Venkatesaiyengar

Comptroller.

S.S.

12 Circle F.F 176-33-3.

Proceedings of the Government of Mysore

Read

1. Government order No.Fl 7893-942 G F 199-31-2 dated 21/27th April 1932 directing that the rate of interest of 5 per cent on Charitable deposits be continued for a further period of three years from 30th July 1932.

2. Correspondence ending with letter No.1312 S L dated 23/24th November 1933 regarding the reduction of the rate of interest on Charitable deposits to 4½ per cent

Order thereon No. FF 3381—440

Dated 23/11/1933.

Government direct that the special rate of interest on Charitable deposits which may be accepted in future be reduced to 4½ per cent per annum.

16/12/33.

Financial Secretary.

16-12-33

To

The Comptroller to Government
The Muzrai Commissioner
The Deputy Commissioners of Districts
The other heads of departments
The Secretaries to Government
The Compiler, Mysore Gazette

PROCEEDINGS OF THE GOVERNMENT OF HIS HIGHNESS
THE MAHARAJA OF MYSORE

Read:-

1. Government Order No.Fl.7893-942/G.F. 199-31-2, dated 21/27th April 1932 directing that the rate of interest of 5 per cent on Charitable deposits be continued for a further period of three years from 30th July 1932.

2. Correspondence ending with letter No.1312/G.L. dated 23/24th November 1933 regarding the reduction of the rate of interest on Charitable Deposits to 4½ per cent.

Order No. Fl 3387-440 -G.F 176.33.3

Dated, Bangalore the 20th December 1933.

23

Government direct that the special rate of interest on Charitable deposits which may be accepted in future be reduced to ~~4½~~ (four and a half) per cent per annum.

M Shamanna

for Financial Secretary to Government.

To

The Comptroller to Government of Mysore.
The Huzrai Commissioner in Mysore.
The Deputy Commissioners of Districts.
The Other Heads of Departments.
The Secretaries to Government of Mysore.
The Compiler, Mysore Gazette.

Aga/6